

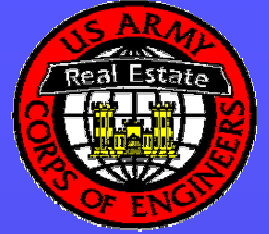
A bald eagle with a white head and yellow beak is perched on the left side of the frame. The background is a close-up, slightly blurred image of the American flag, showing the stars and stripes. The eagle's head is turned slightly to the right.

U.S. Army Corps of Engineers Enhanced Use Leasing



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What is Enhanced Use Leasing?

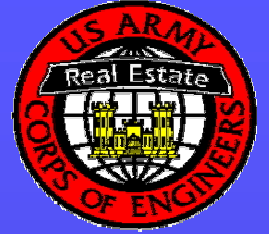


- Enhanced Use Leasing is a new tool in the military's arsenal providing an alternative to traditional approaches of acquiring, constructing or upgrading facilities.
- Leverage DoD assets that are currently available, but not excess to the Military's needs
- Receive rent in cash or in-kind services no-less-than FMV of asset



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Enhanced Use Leasing

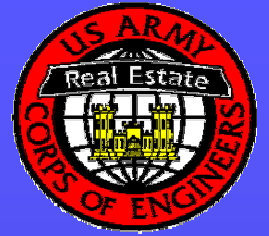


Title 10 USC § 2667 gives Military Departments authority to:

- Enter into long-term or short-term leases, providing greater flexibility for facility reuse
- Lease land and/or buildings
- Receive income on leased property, which can be used to fund other new construction and does not have to be invested in the leased property



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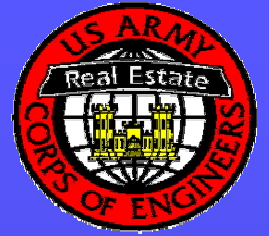


Why Does Army Lease?

- Off-set declining Operation & Maintenance budgets
- Bring tenants who are synergistic with missions of installations
- Avoid cost of maintaining or razing old buildings
- Free-up space for increased or new missions



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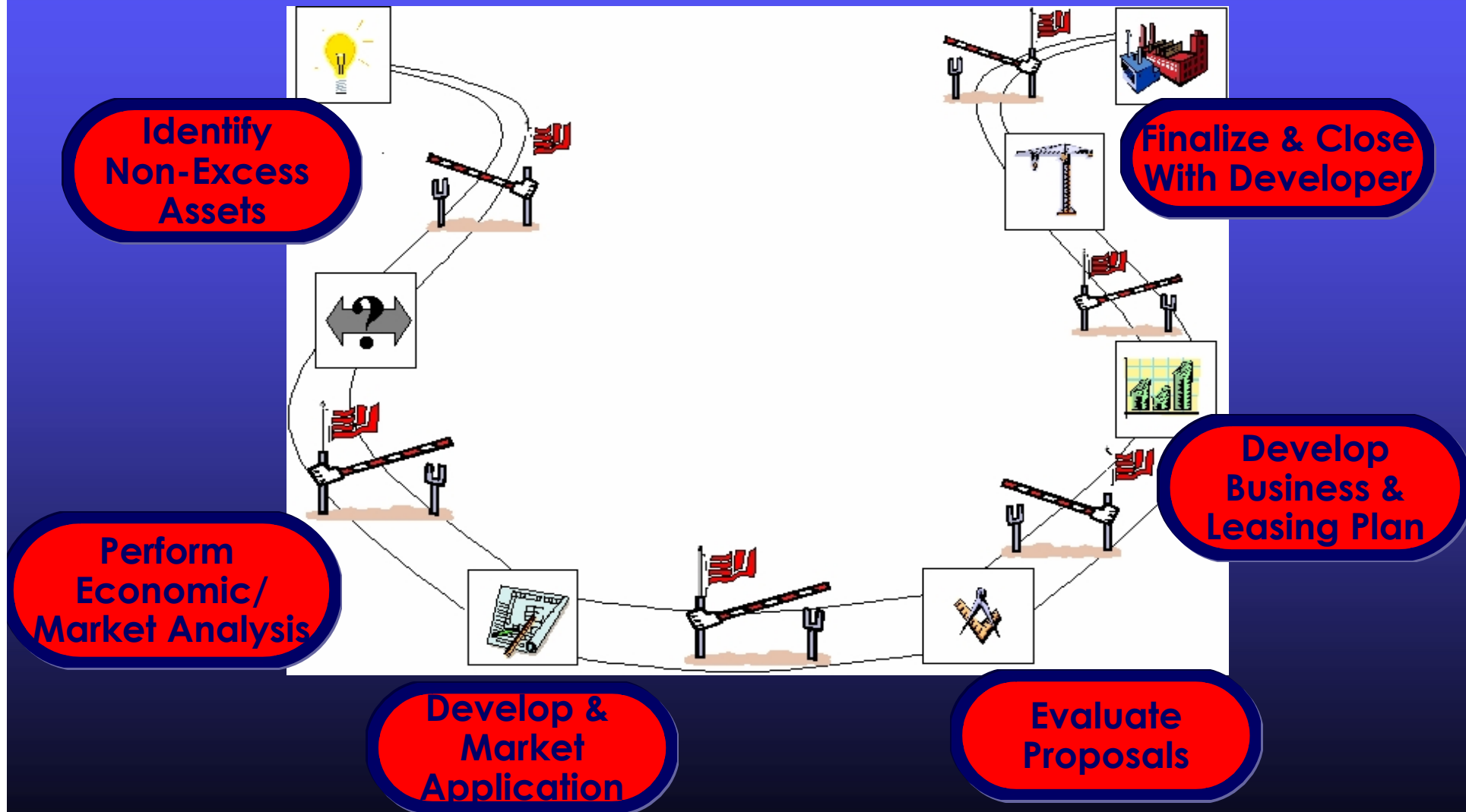
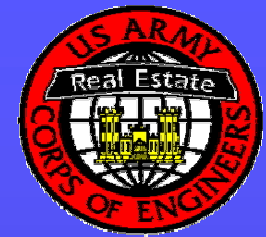
How Does Army Lease?

- Competitive (Advertising) Process
- Source Selection Process
- Negotiation Process



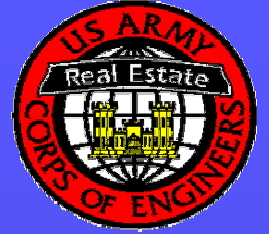
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EUL Process





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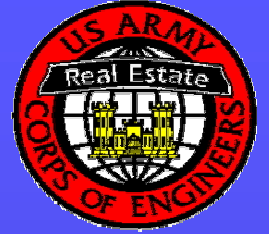
Benefits of EUL for Private Sector

**“The promise of win-win dealings rarely
looked so achievable” – EUL developer quote**

- Market Rate Returns: Developer captures market rates of return on design, construction, maintenance, leasing/sales, and property management activities
- Long-Term Relationship: Ground lease for assets is up to 50 years and agreements with end users is frequently 20 years or more
- Efficient Developer Selection Process: Approach is to minimize time and effort of bringing a development entity on board to perform work
- Growing Program: DoD EUL program is in its early development stages, anticipation of many more projects across the country



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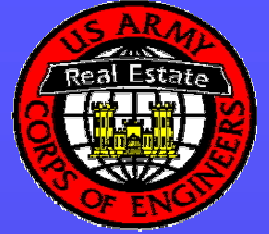
Benefits of EUL to Army

- ◆ Unleashes captive value from property
- ◆ Provides for needed development
- ◆ Tenants who compliment missions at Fort Detrick
- ◆ Supplements under-funded O&M
- ◆ Provides in-kind funding source for needed and unfunded capital improvements
- ◆ Stimulates local job market
- ◆ Improves community relations



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What Does the Deal Look Like?

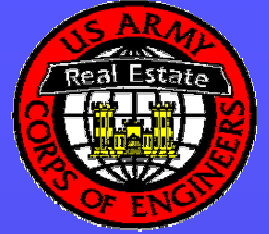


- Army Goal – Maximize land rent by mirroring a private sector transaction
- Developer Teams
- Think Real Estate!



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Examples of EUL Projects

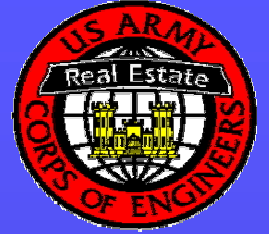


- Fort Sam Houston, Walter Reed, Fort Bliss
- Aberdeen Proving Ground, Fort Monmouth
- Fort Meade
- Yuma Proving Ground
- Offutt Air Force Base



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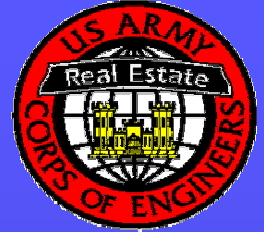
Overview of the Solicitation Process



- Description of Solicitation Plan
- Notice of Intent to Lease (NOL)
- Overview of Evaluation Criteria
- Overview of Evaluation Process
- Lessons Learned for NOL Application Submittal
- Anticipated Milestones & Next Steps



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Description of Solicitation Plan

1. Prepare draft NOL
and issue pre-
solicitation document

2. Solicit industry
interest and conduct
Industry Forum

3. Finalize NOL and
issue to Offerors

4. Receive and evaluate
proposals

5. Determine
competitive range/select
Successful Offeror

6. Partnering session
with Government and
Developer

7. Developer creates
business and leasing
plan for Government
review

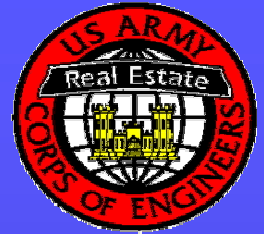
8. Government reviews
and edits business and
leasing plan

9. Developer and
Government sign lease



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Description of Notice of Intent to Lease (NOL)



**Determining “Best Value” for the
Department of the Army and APG**

Proposal Review Process

Evaluation Criteria for Solicitation

Description of Real Estate Assets

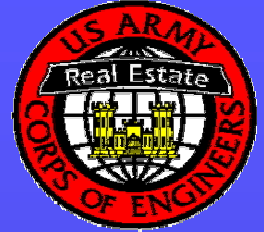
Fort Detrick Project Vision and Goals

Description of Enhanced Use Leasing Authority



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Overview of Evaluation Criteria

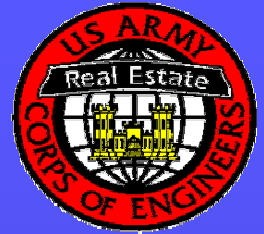


Factor	Description
1. Relevant Experience/Past Performance	<ul style="list-style-type: none">• Experience with Comparable Projects• Objective Assessment of Prior Performance
2. Financial	<ul style="list-style-type: none">• Return Expectations• Financial Capabilities
3. Development Plan	<ul style="list-style-type: none">• Understanding of Requirements• Proposed Concept and Vision
4. Marketing Plan	<ul style="list-style-type: none">• Survey potential purchasers of energy• Analyze market rents and lease terms• Pro-forma development cash flows
5. Plant Management/Maintenance	<ul style="list-style-type: none">• Relevant Experience Managing Projects• Envisioned Management Plan for Fort Detrick
6. Capabilities/Qualifications	<ul style="list-style-type: none">• Staffing Plan• Key Personnel• Organizational Approach
7. Achievement of Army Goals	<ul style="list-style-type: none">• Understanding of Army's Objectives for Project
8. Experience with Community Relations	<ul style="list-style-type: none">• Experience with Community Partners• Envisioned Community Approach



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Overview of Evaluation Criteria



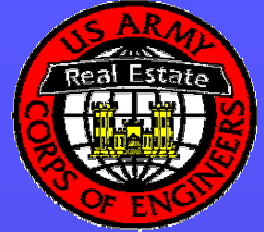
Each Factor Receives Factor Rating...

Factor Rating	Description
Exceptional (+)	The offeror has addressed substantially all of the elements in this factor in a manner that demonstrates superior added value above a satisfactory response for substantially all of the elements.
Exceptional	The offeror has addressed many of the elements of this factor in a manner that demonstrates superior added value above a satisfactory response and has addressed substantially all of the remaining elements in this factor in a manner that demonstrates high added value above a satisfactory response.
Acceptable (+)	The offeror has addressed many of the elements of this factor in a manner that demonstrates some added value above a satisfactory response and has addressed substantially all of the remaining elements in this factor in a manner that demonstrates a satisfactory response.
Acceptable	The offeror has addressed substantially all of the elements in this factor in a satisfactory manner.
Unacceptable	The offeror has failed to address substantially all of the elements of this factor in a satisfactory manner or has simply failed to address substantially all of the elements in this factor.



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Overview of Evaluation Criteria



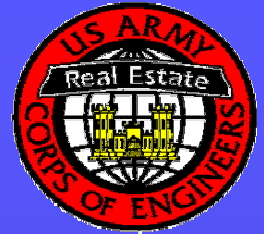
... And Factor Risk Rating

Factor Risk Rating	Description
Low Risk	Any weaknesses identified by the evaluators in the experience, approach, capabilities, and/or past performance record of the Developer have little potential to cause disruption to the planning and implementation phases. Normal contractor/government effort and monitoring will probably minimize any difficulties.
Moderate Risk	These are weaknesses identified by the evaluators in the experience, approach, capabilities, and/or past performance record of the Developer that can potentially cause disruption to the planning and implementation phases. Special contractor/government emphasis and close monitoring will probably minimize any difficulties.
High Risk	These are weaknesses identified by the evaluators in the experience, approach, capabilities, and/or past performance record of the Developer that have the potential to cause significant disruption to the planning and implementation phases even with special contractor/government emphasis and close monitoring.



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Lessons Learned NOL Application

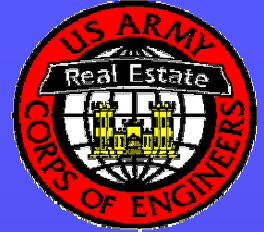


- ❑ Include all required information and requested data asked for in the solicitation. When in doubt.....ask!
- ❑ Review submittal for compliance with all requirements including page limitations and font size. Pages over page count limitations will be excluded.
- ❑ Be specific when describing past performance and experiences (i.e. clear descriptions of projects completed). Do not make the evaluation team have to “interpret” proposal submittal!
- ❑ Acceptable to include company brochures and websites as background, however, no guarantee they will be evaluated



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Lessons Learned NOL Application

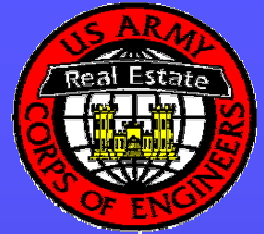


- ❑ Be prepared for oral presentations
- ❑ Put best foot forward during this stage....don't expect another bite at the apple
- ❑ Army wants world-class cogeneration facility and expects a world-class developer to supply it!
- ❑ NOL draft and final version downloadable from web at http://eul.army.mil/detrick/Docs/draft_NOL_Jan18.pdf
- ❑ Final Environmental Baseline Survey (EBS) downloadable at <http://eul.army.mil/detrick/documents.htm>



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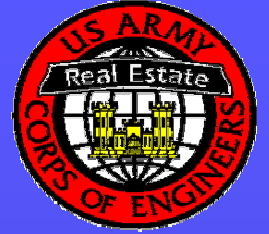
Anticipated Project Milestones



Milestones	Current Schedule (subject to change)
Draft NOL Issued	7 January 2005
Industry Forum	14 February 2005
Final NOL Issued	18 February 2005
Proposals Due	17 March 2005
Successful Offeror Selected	20 April 2005
B&L Plan Finalized	27 June 2005
Execute Lease with Developer	Early August 2005
Construction Begins	Fall 2005
Initial Energy Production	T.B.D.



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Upcoming Process

How to stay plugged in!!

<http://eul.army.mil/detrick>

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